(ii) Fresh equity of Rs.250 crore (Rs. two hundered and fifty crore) to be infused by GOI to make the net worth positive as on 31.2.2000

(iii) Government will guarantee issue of bonds by HMT to raise Rs.469 crore for funding VRS for retiring 6493 employees within 2 years, i.e. by 31.3.2002. Interest subsidy by 50% will be provided on the aforesaid amount of Rs.469 crore and guarantee fee waived.

(iv) The Machine Tool and Watch Group would be converted into subsidiaries by 31.12.2000. These subsidiaries would be disinvested into upto 74% Subsidiarisation of and disinvestment in the Tractor Division would also be undertaken on a time-bound basis.

(v) Watch Factory, Srinagar would be constituted as a subsidiary and be provided, for a period of three years, annual budgetary support as grant-in-aid to meet actual wages and salary outgo as per audited accounts in respect of employees posted as Srinagar. The total salary and wage bill for the year 2000-01 has been estimated as Rs.9.85 crore.

(vi) Government will extend guarantee for a period of two years to the Company to avail of working capital loan for the Watch subsidiary from banks. (The quantum of loan has since been worked out to Rs.40.43 crore).

(vii) Rs.15.10 crore will be given towards equity for incurring capital expenditure during 2000-01.

Main reasons for losses are:

(i) Six unvialbe units, namely, Central Metal Forming Institute, Watch Case Unit, Lamp Factory, Food Processing Machinery Plant, Miniature Battery Unit and Srinager Watch Factory, made perennial losses and contributed to a loss of Rs. 305 crore upto 31.3.99.

(ii) High employment cost, far in excess of industry norms.

(iii) Huge debt burden resulting in high interest cost and inadequate working capital.

VRS in Heavy Industries

†836. SHRI DILIP SINGH JUDEV: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

†Original notice of the question was received in Hindi.

(a) since when the Voluntary Retirment Scheme has been introduced in heavy industries;

(b) the number of employees who took retirement between the years 1996-97 to 1999-2000, alongwith the names of industries, year-wise;

(c) the amount paid to the retiring employees under this scheme, year-wise; and

(d) the details of conditions fixed and facilities provided to the employed who have opted for the voluntary retirement?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) Voluntary Retirement Scheme (VRS) has been introduced in the Public Sector Undertakings under the administrative control of Department of Heavy Industry since 1989.

(b) and (c) Statement I and II showing the number of employees who took retirement between the years 1997-98 to 1999-2000 for which period details are immediately available alongwith the names of industries and the amount paid year-wise are enclosed (See below). Information for the year 1996-97 is being collected and will be laid on the table of the house.

(d) The terminal payments available to an employee seeking Voluntary Retirement include:—

1. The balance in his Provident Fund Account payable as per the CPF regulation.
2. Cash equivalent of accumulated earned leave as per the rules of the enterprise.
3. Gratuity as per Gratuity Act of the Gratuity scheme as applicable to the employees.
4. One month/three months notice pay (as per the conditions of service appliable to him).
5. An ex-gratia payment equivalent to 1.5 months emoluments (pay+DA) for each completed year of service or the monthly emoluments at the time of Retirment multiplied by the balance months of service left before normal date of retirement, whichever is less.
6. In addition, the employee and his family would also be entitled to travel by the entitled class to the place where he intends settling down.

Statement-I

(Rs. in Lakhs)

A: VOLUNTARY RETIREMENT SCHEME

Sl. No.	Name of the PSU	1997-98		1998-99		1999-2000	
		No. of Employees	Amount	No. of Employees	Amount	No. of Employees	Amount
1.	Engineering Projects India Ltd. (EPI)	4	28.00	11	84.00	—	—
2.	National Industrial Development Corp. (NIDC)	—	—	50	468.00	25	242.00
3.	Bharat Heavy Plates & Vessels Ltd. (BHPV)	—	—	—	—	110	500.00
4.	Bharat Pumps & Compressors Ltd. (BPCL)	11	32.00	—	—	19	84.00
5.	Bridge & Roof Ltd. (B&R)	—	—	—	—	31	81.00
6.	Richardson & Cruddas (R&C)	134	457.00	89	370.00	165	795.00

Sl. No.	Name of the PSU	1997-98		1998-99		1999-2000	
7.	Triveni Structrals Ltd. (TSL)	92	304.00	—	—	—	—
8.	Instrumentation Limited (ILK)	—	—	—	—	362	2256.00
9.	Hindustan Photo Films Mfg. Ltd. (HPF)	56	152.00	36	293.00	76	271.00
10.	Hindustan Cables Limited (HCL)	539	2075.00	361	2000.00	385	3500.00
11.	Burn Standard Co. Ltd. (BSCL)	40	50.00	239	414.00	858	1704.00
12.	Jessop & Co. Ltd (JESSOP)	—	—	432	1108.00	1	6.00
13.	Braithwaite & Co. Ltd. (BWT)	—	—	15	39.00	—	—
14.	Bharat Brakes & Valves Ltd. (BBVL)	6	19.00	3	123.00	10	34.00
15.	RBL Ltd. (RBL)	19	47.00	4	11.00	11	28.00
16.	Hindustan Salts Limited (HSL)	—	0.00.	19	3.00	70	101.00
17.	Andrew Yule & Co. Ltd. (AYCL)	—	—	41	126.00	46	147.00

Sl. No.	Name of the PSU	1997-98		1998-99		1999-2000	
18.	Heavy Engineering Corporation (HEC)	272	2000.00	442	1150.00	161	750.00
19.	HMT Ltd. (HMT)	829	3251.00	924	4041.00	900	5023.00
20.	Prage Tools Ltd. (PTL)	—	—	71	225.00	146	522.00
21.	Tyre Corporation of India Ltd. (TCIL)	82	123.00	7	90.00	9	45.00
22.	Scooters India Ltd. (SIL)	—	—	—	—	15	34.00
23.	NEPA Ltd. (NEPA)	18	273.00	27	47.00	238	652.00
24.	Cement Corporation of India Ltd (CCI)	2	6.00	18	46.00	135	319.00
25.	Bharat Leather Corporation (BLC)	4	8.00	3	5.00	9	34.00
26.	Mandya National Paper Mills Ltd. (MNPM)	6	10.00	24	44.00	—	—
27.	Nagaland Pulp & Paper Corp. (NPPC)	10	15.00	9	13.00	—	—
28.	Bharat Heavy Electricals Ltd. (BHEL)	—	—	—	—	8274	32400.00
	TOTAL	2420	4364.00	3686	10701.00	12086	31768.51

Statement-II

No. of Employees who have availed VRS benefits in PSUs where Voluntary Separation Scheme (VSS) was implemented during 1998 and 1999

(Rs. in Crores)

B: VOLUNTARY SEPARATION SCHEME

Sl. No.	Name of the PSU	1999-2000	
		No. of Employees	Amount
1.	Bharat Process & Mech. Eng. Ltd. (BPMEL)	310	9.25
2.	Weighbird India Ltd. (WIL)	51	2.00
3.	Mining & Allied Machinery Corporation (MAMC)	1951	179.53
4.	Cycle Corporation of India Ltd. (CCIL)	1126	34.39
5.	National Bicycle Corporation of India Ltd. (NBCIL)	318	8.28
6.	Bharat Opthalmic Glass Ltd. (BOGL)	214	14.44
7.	Tyre Corporation of India Ltd. (TCIL)	313	13.64
8.	Rehabilitation Industries Corporation (RIC)	844	38.24
9.	National Instruments Ltd. (NIL)	271	11.95
10.	Tannery Footwear Corporation (TAFCO)	636	17.04
	TOTAL	6034	328.76